

Settlement Date: June 17, 2009 at 12:00 p.m. (Prevailing Eastern Time)
Objection Deadline: June 16, 2009 at 4:00 p.m. (Prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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<i>In re</i>	: Chapter 11
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: Case No. 08-13555 (JMP)
	:
	: (Jointly Administered)
Debtors.	:
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**OBJECTION OF BASSO CAPITAL MANAGEMENT, L.P. TO DEBTORS'
NOTICE OF SETTLEMENT OF ORDER GRANTING IN PART AND DENYING
IN PART THE MOTION OF BASSO CAPITAL MANAGEMENT, L.P. FOR RELIEF
CONCERNING CERTAIN CONTRACTS THAT DEBTOR MOVED TO REJECT,
THEN SOUGHT TO ASSUME WITHOUT PROVIDING SUFFICIENT NOTICE
AND AN OPPORTUNITY TO OBJECT**

1. Basso Capital Management, L.P., investment manager for Basso Credit Opportunities Holding Fund Ltd., Basso Fund Ltd., and Basso Multi-Strategy Holding Fund Ltd. (together, "Basso"), by and through its counsel Stroock & Stroock & Lavan LLP, respectfully submits this objection to the proposed order (the "Proposed Order") settled by the above-captioned debtors and debtors-in-possession (the "Debtors") in respect of Basso's Motion for Relief Concerning Certain Contracts That Debtors Moved to Reject, Then Sought to Assume Without Providing Sufficient Notice and an Opportunity to Object (the "Motion").

2. The Debtors' Proposed Order correctly provides, among other things, that "LCPI is granted leave to file a new motion seeking to assume or reject the Basso Trades." The Debtors, however, go beyond the June 3, 2009 hearing on the Motion (the "Hearing") by providing that "to the extent necessary [LCPI] is granted relief in that regard from the Stipulation and Agreed Order Resolving Motion to Compel, entered on November 5, 2008 [Docket No. 1400]."

3. At the Hearing, the Court permitted the Debtors to file a new motion to assume or reject the Basso Trades, but expressly reserved all issues as to whether such a motion would be granted. By granting the Debtors relief from the November 5 Stipulation and Order, the Proposed Order could be read to preclude any argument by Basso as to the propriety of such assumption or rejection in light of that Stipulation and Order. Basso respectfully submits that the outcome of the Hearing was simply that each side would get a "do over," with all arguments preserved, and that no ruling was made with respect to the Stipulation and Order, the vacatur or modification of which was not sought by the Debtors.

4. Attached hereto as Exhibit A is Basso's counter-proposed order (the "Counter-Proposed Order"), and attached hereto as Exhibit B is a blacklined order showing changes from the Debtors' Proposed Order to Basso's Counter-Proposed Order. In an effort to reach a consensual order, Basso requested that the Debtors make this change prior to Debtors' filing of the Proposed Order, but the Debtors declined to do so.

WHEREFORE, Basso respectfully requests that this Court enter an order in the form of the Counter-Proposed Order.

Dated: June 16, 2009
New York, New York

STROOCK & STROOCK & LAVAN, LLP

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